

## 22.132(455B) Repowering extensions.

22.132(1) Applicability.

a. This rule shall apply to the designated representative of:

(1) Any existing affected unit that is a coal-fired unit and has a 1985 actual SO<sub>2</sub> emissions rate equal to or greater than 1.2 lbs/mmBtu; or

(2) Any new unit that will be a replacement unit, as provided in paragraph 22.132(2)"b," for a unit meeting the requirements of subparagraph 22.132(1)"a"(1); or

(3) Any oil- or gas-fired unit that has been awarded clean coal technology demonstration funding as of January 1, 1991, by the secretary of energy.

b. A repowering extension does not exempt the owner or operator for any unit governed by the repowering plan from the requirement to comply with such unit's acid rain emissions limitations for sulfur dioxide.

22.132(2) The designated representative of any unit meeting the requirements of subparagraph 22.132(1)"a"(1) may include in the unit's acid rain permit application a repowering extension plan that includes a demonstration that:

a. The unit will be repowered with a qualifying repowering technology in order to comply with the emissions limitations for sulfur dioxide; or

b. The unit will be replaced by a new utility unit that has the same designated representative and that is located at a different site using a qualified repowering technology and the existing unit will be permanently retired from service on or before the date on which the new utility unit commences commercial operation.

22.132(3) In order to apply for a repowering extension, the designated representative of a unit under subrule 22.132(1) shall:

a. Submit to the department, by January 1, 1996, a complete repowering extension plan;

b. Submit to the administrator before June 1, 1997, a complete petition for approval of repowering technology in

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accordance with 40 CFR 72.44(d) as amended through July 30, 1993, and submit a copy to the department; and

c. If the repowering extension plan is submitted for conditional approval, submit to the department by December 31, 1997, a notification to activate the plan in accordance with subrule 22.131(3).

22.132(4) Contents of repowering extension plan. A complete repowering extension plan shall include the following elements:

a. Identification of the existing unit governed by the plan.

b. The unit's federally approved State Implementation Plan sulfur dioxide emissions limitation.

c. The unit's 1995 actual SO<sub>2</sub> emissions rate, or best estimate of the actual emissions rate; provided that the actual emissions rate is submitted to the department by January 30, 1996.

d. A schedule for construction, installation, and commencement of operation of the repowering technology approved or submitted for approval under 40 CFR 72.44(d) as amended through July 30, 1993, with dates for the following milestones:

(1) Completion of design engineering;

(2) For a plan under paragraph 22.132(2)"a," removal of the existing unit from operation to install the qualified repowering technology;

(3) Commencement of construction;

(4) Completion of construction;

(5) Start-up testing;

(6) For a plan under paragraph 22.132(2)"b," shutdown of the existing unit; and

(7) Commencement of commercial operation of the repowering technology.

e. For a plan under paragraph 22.132(2)"b":

(1) Identification of the new unit. A new unit shall not be included in more than one repowering extension plan.

(2) Certification that the new unit will replace the existing unit.

(3) Certification that the new unit has the same designated representative as the existing unit.

(4) Certification that the existing unit will be permanently retired from service on or before the date the new unit commences commercial operation.

f. The special provisions of subrule 22.132(7).

22.132(5) Department's action on repowering extension plan.

a. The department will not approve a repowering extension plan until the administrator makes a conditional determination that the technology is a qualified repowering technology, unless the department approves such plan subject to the conditional determination of the administrator.

b. Permit issuance.

(1) Upon a conditional determination by the administrator that the technology to be used in the repowering extension plan is a qualified repowering technology and a determination by the department that such plan meets the requirements of this rule, the department will issue the acid rain portion of the Title V operating permit including: the approved repowering extension plan; and a schedule of compliance with enforceable milestones for construction, installation, and commencement of operation of the repowering technology and other requirements necessary to ensure that emission reduction requirements under this rule will be met.

(2) Except as otherwise provided in subrule 22.132(6), the repowering extension shall be in effect starting January 1, 2000, and ending on the day before the date (specified in the acid rain permit) on which the existing unit will be removed from operation to install the qualifying repowering technology or will be permanently removed from service for replacement by a new unit with such technology; provided that the repowering extension shall end no later than December 31, 2003.

(3) The portion of the Title V operating permit specifying

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the repowering extension and other requirements under subparagraph 22.132(5)"b"(1) shall be subject to the administrator's final determination, under 40 CFR 72.44(d)(4) as amended through July 30, 1993, that the technology to be used in the repowering extension plan is a qualifying repowering technology.

c. Allowance allocation. Allowances will be allocated in accordance with 40 CFR 72.44(f)(3) and (g) as amended through July 30, 1993.

22.132(6) Failed repowering projects.

a. If, at any time before the end of the repowering extension under subparagraph 22.132(5)"b"(2), the designated representative of a unit governed by an approved repowering extension plan submits the notification under subrule 22.147(4) that the owners and operators have decided to terminate efforts to properly design, construct, and test the repowering technology specified in the plan before completion of construction or start-up testing, the designated representative may submit to the department a proposed permit modification demonstrating that such efforts were in good faith. If such demonstration is to the satisfaction of the administrator, the unit shall not be deemed in violation of the Act because of such a termination and the department will revise the Title V operating permit in accordance with this subrule. Regardless of whether notification under this subrule is given, the repowering extension will end beginning on the earlier of the date of such notification or the date by which the designated representative was required to give such notification under subrule 22.147(4).

b. The designated representative of a unit governed by an approved repowering extension plan may submit to the department a proposed permit modification demonstrating that the repowering technology specified in the plan was properly constructed and tested on such unit but was unable to achieve the emissions reduction limitations specified in the plan and that it is economically or technologically infeasible to modify the technology to achieve such limitation. In order to be properly constructed and tested, the repowering technology shall be constructed at least to the extent necessary for direct testing of the multiple combustion emissions (including sulfur dioxide and nitrogen oxides) from such unit while operating the technology at nameplate capacity. If such demonstration is to the satisfaction of the administrator:

(1) The unit shall not be deemed in violation of the Act because of such failure to achieve the emissions reduction limitations;

(2) The department will revise the acid rain portion of the Title V operating permit in accordance with subparagraphs 22.132(6)"b"(3) and (4);

(3) The existing unit may be retrofitted or repowered with another clean coal or other available control technology; and

(4) The repowering extension will continue in effect until the earlier of the date the existing unit commences commercial operation with such control technology or December 31, 2003.

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22.132(7) Special provisions.

a. Emissions limitations.

(1) Sulfur dioxide. Allowances allocated during the repowering extension under paragraph 22.132(5)"c" and subrule 22.132(6) to a unit governed by an approved repowering extension plan shall not be transferred to any allowance tracking system account other than the unit accounts of other units at the same source as that unit.

(2) Nitrogen oxides. Any existing unit governed by an approved repowering extension plan shall be subject to the acid rain emissions limitations for nitrogen oxides in accordance with section 407 of the Act and regulations implementing section 407 of the Act beginning on the date that the unit is removed from operation to install the repowering technology or is permanently removed from service.

(3) No existing unit governed by an approved repowering extension plan shall be eligible for a waiver under section 111(j) of the Act.

(4) No new unit governed by an approved repowering extension plan shall receive an exemption from the requirements imposed under section 111 of the Act.

b. Reporting requirements. Each unit governed by an approved repowering extension plan shall comply with the special reporting requirements of rule 22.147(455B).

c. Liability.

(1) The owners and operators of a unit governed by an approved repowering plan shall be liable for any violation of the plan or this rule at that or any other unit governed by the plan.

(2) The units governed by the plan under paragraph 22.132(2)"b" shall continue to have a common designated representative until the existing unit is permanently retired under the plan.

d. Terminations. Except as provided in subrule 22.132(6), a repowering extension plan shall not be terminated after December 31, 1999.

